

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re: Chapter 11
RGR WATKINS, LLC, Case No.
Debtor.
_____ /

DEBTOR'S CHAPTER 11 CASE MANAGEMENT SUMMARY

RGR WATKINS, LLC, as debtor and debtor in possession (the “**Debtor**” or “**RGR Watkins**”), by and through its undersigned attorneys, pursuant to Administrative Order FLMB-2009-1, hereby files its Chapter 11 Case Management Summary (the “**Summary**”). For its Summary, the Debtor states the following:

Introduction

On September 12, 2013 (the “**Petition Date**”), the Debtor filed a Voluntary Petition for Relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”).

Case Management Items

I. **Description of the Debtor's Business**

The Debtor owns Watkins Business Center (the “**Office Center**”)¹ which is comprised of 25 one-story office/flex buildings with a total rentable area of 514,218 square feet. The Office Center is located in Norcross, Gwinnett County, Georgia. The site upon which the Office Center is situated is comprised of eight parcels totaling 41

¹ The name of the office center has recently been changed from the Watkins Business Center to Gateway Business Park.

acres or 1,788,147 square feet, located on the north and south sides of McDonough Drive, west side of Dawson Boulevard, west side of Wilwat Drive, east and west sides of Young Court and east and west sides of Webb Drive.



The Office Center is conveniently located near the Jimmy Carter Boulevard/I-85 Interchange and provides various sized office, retail and industrial suites for both small and large end users of the space. The current occupancy of the Office Center is approximately 44%.

The center is located in the heart of Gwinnett County, Georgia, where The Gwinnett Village Community Improvement District (the "CID") has (and continues to) actively been improving transportation and mobility, beautification of public areas, public safety and community identity. The CID "promotes redevelopment throughout the

district by working with local and county partners to ensure that zoning and development regulations are in place to encourage sustainable redevelopment and incentivize investment in the district.” See www.gwinnettville.com/redevelopment. For instance, “a \$1 million grant from the Georgia State Road and Tollway Authority’s Georgia Transportation Infrastructure Bank (GTIB) is being used for construction of the I-85 and Jimmy Carter Boulevard diverging diamond interchange (DDI).” See 2012 Annual Report, Planning for the Future of the Gwinnett Village CID at www.gwinnettville.com.

II. Location of Debtor’s Operations and Whether Leased or Owned

The Debtor’s principal office and mailing address is 1226 N. Tamiami Trail, Suite 301, Sarasota, Florida 34236. The Debtor owns the Office Center located in Norcross, Gwinnett County, Georgia.

III. Reasons for Filing Chapter 11

RGR Watkins purchased the Office Center on or about August 29, 2007 for an approximate purchase price of Thirty Seven Million Dollars (\$37,000,000). The purchase was financed, in part, through a loan from Bank of America, N.A. (“**BofA**”) in the initial principal amount of approximately \$20,700,000.00, and through equity contributions from the principals of the Debtor in the approximate amount of Sixteen Million Dollars (\$16,000,000).

RGR Watkins acquired the Office Center to convert the property into individual office condominiums for sale. BofA was aware of this intention from the inception of the loan, and RGR Watkins relied upon the bank’s support in placing the loan. If BofA had

not indicated a preliminary willingness to support the condominium plan, RGR Watkins would have explored other funding sources to finance the acquisition of the Office Center. Understanding that the loan documents do not permit the conversion, or condominiumization, BofA's actions, and thereafter partial performance, fraudulently induced RGR Watkins to close on the loan with BofA, and then continually invest substantial sums into the conversion, alongside BofA.

In other words, not only was BofA aware of the condominiumization plans for the Office Center, and not only did it acquiesce to the initiation of the process, but BofA actually participated in the process, by reviewing and commenting on the condominium declarations, plats, etc. BofA actually funded the beginning of the planned construction necessary for the conversion. Further, during this process, BofA and RGR Watkins entered into an amendment of the loan. Then, as the maturity date of October 28, 2011 approached, and while BofA and the Debtor were still in active discussions regarding the condominiumization plan, BofA sold the loan documents in September of 2011, without notice, to the successor in interest of CJUF III Atlas Portfolio, LLC ("**CJUF**"). During the course of the loan term, RGR Watkins timely made payments as required by the loan documents.

CJUF, as successor-in-interest to CSMI Investors, LLC, as successor in interest to BofA, asserts that, through various assignments, it now owns and holds the loan documents. As of the Petition Date, CJUF asserts that it is owed a principal amount of approximately \$23,000,000.00.

After the acquisition, RGR Watkins contacted CJUF to attempt to discuss the loan relationship and engage in discussions regarding either arrange for financing to take CJUF out at a discount or renew the loan. CJUF called the loan due when it matured on October 28, 2011. Shortly thereafter, CJUF filed suit against RGR Watkins asserting breach of contract and seeking the appointment of a receiver. A receiver was appointed on December 21, 2011. In January of 2012, CJUF began to advertise the property for sale and a sale was scheduled to occur in February 2012. On information and belief, about that time, CJUF learned the debt amount would be satisfied by the value of the property. The February sale date was cancelled and to date has not been reset. In May of 2012, CJUF has also filed a lawsuit against North Trail Developments, LLC, a Florida limited liability company ("**North Trail**"), in Sarasota County, Florida seeking to foreclose upon that certain real property owned by North Trail located in North Tamiami Trail in Sarasota, which appears to have been pledged in connection with the RGR Watkin's loan. The property is comprised of raw land of 0.8 acres. Finally, CJUF also filed suit against Robert G. Roskamp as the guarantor.

The defendants/counterclaimants subsequently filed counterclaims in both actions based on the false inducement to enter into the loan relationship based upon its reliance regarding the condominiumization plans for the Office Center. RGR Watkins requested arbitration per the loan documents in all actions.

RGR Watkins desires to complete and realize its condominiumization plans for the Office Center. Chapter 11 remains the best vehicle to fairly restructure debts and preserve value for CJUF and the Debtor's estate. RGR Watkins files its Chapter 11

Voluntary Petition in an effort to preserve the value of the Office Center through a restructuring of the debt for the benefit of its creditors and the estate.

IV. **List of Officers and Directors and Their Salaries and Benefits at Time of Filing and During the One Year Prior to Filing**

The Debtor's manager is Robert G. Roskamp. Pursuant to the Debtor's Operating Agreement as amended and restated, David M. Howell is also listed as a Manger, but is recently deceased. Neither Mr. Roskamp nor Mr. Howell received any compensation from RGR Watkins during the year prior to the Petition Date.

V. **Debtor's Annual Gross Revenues**

Per the receiver's July report, the 2013 YTD net rental income revenue is approximately \$758,000.00

VI. **Amounts Owed to Various Classes of Creditors**

As stated above, CJUF as successor-in-interest to CSMI Investors, LLC, as successor in interest to BofA asserts that, through various assignments, it now owns and holds the Loan Documents. As of the Petition Date, CJUF asserts that it is owed a principal amount of approximately \$23,000,000.00.

There is also a second mortgage on the Office Center granted in favor of Phil Kaltenbacher. The amount of the underlying obligation is currently undetermined.

The Gwinnett County Tax Collector is owed approximately \$233,000 for 2013 real estate taxes.

The Debtor will be including in Schedule F to be filed with the Court various vendors and tenants to the Office Center paid by the Receiver.

VII. **General Description and Approximate Value of the Debtor's Current and Fixed Assets**

The value of the land, buildings and improvements which make up the Office Center, at gross book value, is approximately \$35,000,000.00. The Debtor reserves all rights with respect to the value of the Office Center.

VIII. **Number of Employees and Amount of Wages Owed as of Petition Date**

As of the Petition Date, RGR Watkins did not have any employees.

IX. **Status of Debtor's Payroll and Sales Tax Obligations**

Other than those which may be due and owing to be paid by the receiver, there are no unpaid payroll tax or sales tax obligations as of the Petition Date.

X. **Anticipated Emergency Relief Within 14 Days of Petition Date**

The Debtor anticipates filing the following pleadings on an emergency basis: (a) Motion to Use Cash Collateral; (b) Complaint for Injunction; and (c) Motion for Preliminary Injunction.

XI. **The Debtor's Strategic Objectives**

The Debtor anticipates filing a plan in the early stages of the case proposing to pay in full all allowed claims in the case, subject to set-offs as applicable, through the condominiumization and sale of the Office Center.

WHEREFORE, the Debtor respectfully submits this as its Case Management Summary.

/s/ Amy Denton Harris

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct of the foregoing *Debtor's Chapter 11 Case Management Summary* has been furnished on this 12th day of September, 2013, by the Court's CM/ECF electronic mail system to the Office of the United States Trustee and all other parties receiving CM/ECF electronic mail.

/s/ Amy Denton Harris

Amy Denton Harris